

United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Color Country District Office Cedar City Field Office

176 East DL Sargent Drive Cedar City, UT 84721 Telephone (435) 865-3000 www.blm.gov/ut/st/en/fo/cedar_city.html



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DIV. OF OIL, GAS & MINING

April 7, 2015

In Reply Refer To: UTC01 3809: UTU-83086

Leslie Buhler, Land and Permitting Manager CS Mining 1208 S 200 W Milford, UT 84751

Dear Ms. Buhler:

This letter responds to your request, dated November 18, 2014, to the Division of Oil, Gas, and Mining for full release of the reclamation bond for the Bawana Low-Grade Ore Stockpiling Area (DOGM file S/001/0086, BLM file UTU-83086). The stockpiling area is entirely located on BLM-managed land administered through the BLM Cedar City office, so our concurrence to these proposed bond changes is required. Our response to the request was unavoidably delayed by the need to complete the Milford Operation Area, Phase 2 environmental assessment, which included the proposed changes to the stockpiling area made through the large mine permit, but had yet to be analyzed in a prior NEPA document. With the signing of the decision record for the environment assessment, we can now act on your request.

Your bond release request notes that the site disturbances associated with the stockpiling area permit were incorporated in your most recent permit revision for the Hidden Treasure Large Mine Permit Area (M/001/0067) and have been bonded as part of that property-wide permit. As the stockpiling area disturbances are now double-bonded, you request the full release of the original, stand-alone, bond specific to the stockpiling area, this being \$9,000. I concur and can recommend the release of the entire \$9,000 bond. Also, as the stockpiling area disturbances were consolidated in the latest amendment, for the Hidden Treasure Plan of Operation (BLM UTU-82071-A4), we will retire the Bawana Low-Grade Ore Stockpiling Area plan of operation (BLM file UTU-83086), effective immediately.

If you have any questions, please feel free to contact Ed Ginouves directly at 435-865-3040.

Sincerely.

Elizabeth Burghard Field Office Manager